

SUBJECT:	Providing predevelopment loans for community housing development
COMMITTEE:	Urban Affairs — committee substitute recommended
VOTE:	4 ayes — Alvarado, Bernal, Elkins, J. Johnson 3 nays — Leach, Isaac, Zedler
WITNESSES:	None
BACKGROUND:	The federal HOME Investment Partnerships Program is a block grant program designed to create affordable housing for low-income people and was established under Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C., sec. 12701, et seq.)
DIGEST:	<p>CSHB 2528 would authorize the Texas Department of Housing and Community Affairs (TDHCA) to provide a project-specific predevelopment loan to a community housing development organization to facilitate the development of a project that, if feasible, would receive an award of financial assistance under the terms of the Federal HOME Investment Partnerships Program. The loan could not be used for costs that exceeded customary or reasonable preparation costs or administrative expenses of a community housing development organization.</p> <p>The bill would take effect September 1, 2017.</p>
SUPPORTERS SAY:	CSHB 2528 would allow the Texas Department of Housing and Community Affairs (TDHCA) to provide loans for the predevelopment phase of housing projects for low-income Texans. These projects often are hindered due to lack of funding during predevelopment, which is the phase of project from concept through the initiation of design.
OPPONENTS SAY:	CSHB 2528 would expand the role of government and create an unneeded loan program. There are enough block grants, tax credits, and other incentives to adequately address affordable housing concerns.